**Planning retirement**

Many older workers are thinking about different ways to transition from work to retirement. While in the past, the timing of retirement was more or less uniform, today there is a wide variety of ways and at different ages. Many people are choosing to delay retirement by reducing their workload while extending their employment. They may do so because they want to try out new retirement activities but aren’t ready to fully leave work. Many others stay in work because they can’t afford to fully retire but they have responsibilities like grandparenting which they need to devote an increasing amount of time to.

Across Europe, governments are facilitating older workers to consider different ways to retire. In Spain, for example, full-time workers who have reached normal retirement age can reduce their working hours while partly drawing their pensions while in Italy, employees who reach retirement age can request a delay in drawing their pension and therefore extending their employment contract. Since 2010 in the UK, mandatory retirement ages have for the most part been made unlawful which means that for the most part, many older workers can stay in work for as long as they are capable of completing their tasks.

The fact that workers have more choices in how and when they retire is a good thing since they can tailor the timing of retirement to suit their lifestyles. It can also benefit employers since they can use phased retirement options as a way to retain older staff with key skills, manage workforce levels to meet labour demands, and encourage older staff to take on job roles which use their skills and experience in new ways. However, it also puts a new requirement on both workers and their managers to have full and frank conversations about the employee’s retirement in order to develop a plan which is workable for both sides.

Holding a conversation about retirement plans is not always easy. An employee may be reluctant to talk to their manager about when they want to retire since they want to avoid announcing that they are planning to eventually leave work and are therefore less committed to their job. Some may worry that announcing their retirement plans will result in them passed over for new assignments or exciting projects. They may therefore choose to wait until the last minute before letting their manager know that they intend to leave. Managers may also try to avoid conversations about retirement because they worry that broaching the subject would send the wrong signal that they want the older worker to retire as soon as possible even though that might be the opposite of the employer’s intent.

Having a conversation on retirement plans is crucial to managing the retirement transition in a way which suits both the employee and employer. First, employees may not always be aware of the choices which they have regarding how and when they retire. Even when an employer offers phased retirement options like reducing working hours or taking up a mentoring role, employees may not have considered these possibilities. Sometimes, mutually beneficial outcomes only come about through conversations between an employee and their manager. For example, a manager may want the older worker to delay retirement in order to support their successor in adapting to the job.

In order to have a full and frank conversation about retirement plans, older workers need information about not only what options are available to them, but also how they can achieve a fulfilling retirement. Pre-retirement planning can be a valuable resource for employees as they prepare themselves in terms of financial planning as well as mapping out what activities they want to do. It can also remove some of the uncertainty over retirement plans, as workers who have a clear idea of their retirement incomes are also more likely to have a firm date at which they plan to retire.

**How can social dialogue help?**

Retirement planning is primarily dialogue between the individual employee and their manager. However, social dialogue at the workplace or organisational level can encourage and support retirement discussions. First, union representatives and managers can work jointly to inform employees of the choices which are available to them. Social partners can discuss with employees not only what retirement options are available but also showcase examples of where staff have made use of phased retirement arrangements to make more successful transitions. Some unions are mobilising ‘retirement champions’: union members who had retired and are available to talk to colleagues about how to plan to transition out of work. Signposting where employees can gather information (such as pre-retirement course) is also important to support them in preparing for a retirement discussion.

Second, social partners can collaborate to find out how and when employees want to retire. Employees may be more comfortable talking to their union representatives than their manager about retirement timing since they can talk about their expectations and interests on a ‘no strings’ basis. Union reps can then brief managers about the kind of retirement offerings would most suit the workforce’s needs and aspirations. Finally, social partners can work collaboratively to ensure conversations on retirement plans are carried out in a constructive way. Such efforts can include:

* Agreeing a process for retirement discussions such that employees can start a dialogue about their retirement plans without prejudicing their career plans
* Setting a timetable for employees and managers to start and continue a conversation on retirement plans.
* Mapping retirement options which are available in the organisation and how they can be tailored to employees’ needs.
* Developing, trialling and embedding new approaches to retirement plans. Employees who try new retirement plans can feedback how they work and ways to adapt for future staff.
* Identifying blockages to dialogue. If staff are unwilling or feel unable to talk about their retirement plans, union representatives can help find out why and discuss with managers ways to create safer spaces for staff to talk about their plans.
* Supporting individual conversations about retirement plans. In some circumstances, union representatives can be part of an individual conversation on retirement plans in order to advocate in support of the employee while offering ideas of mutually beneficial retirement outcomes.

It is important to remember that a discussion on retirement is part of an overall discussion about career development. Managers have regular conversations with staff about their career plans are more likely to have constructive discussions with staff about their retirement plans. This is because workplaces which have a culture of open dialogue on career plans are more likely to support discussions on retirement.

**Questions to consider**

* When and how do employees normally retire? Do they follow a set pattern or do they individualise their plans?
* Are there clear processes for discussions on retirement? Are employees and managers aware of when notice needs to be served and the timing for discussions?
* Do employees have a menu of retirement options which are available to them?
* Do employees and managers feel comfortable talking about retirement? If not, are there better ways to facilitate a dialogue?
* Is there a way to try and embed new approaches to retirement?